United Nations A/54/531

General Assembly

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Fifty-fourth session
Agenda item 17 (i)
Appointments to fill vacancies in subsidiary organs and other appointments: appointment of the Under-Secretary-General for Internal Oversight Services

Letter dated 4 November 1999 from the Secretary-General to the President of the General Assembly

On 13 September 1999, the General Assembly, at my request, decided to defer consideration of the item regarding the appointment of the Under-Secretary-General for Internal Oversight Services, in view of the ongoing consultations. The consultations have not yet been concluded.

As the term of office of the current Under-Secretary-General for Internal Oversight Services is due to expire on 14 November 1999 and pending completion of the consultations regarding his possible successor, I have decided to request Hans Corell, Under-Secretary-General for Legal Affairs, the Legal Counsel, to oversee the Office of Internal Oversight Services. This temporary arrangement is not expected to be a prolonged one and I will submit a name to the General Assembly shortly for its consideration and approval.

I would be grateful if the above information could be brought to the attention of the General Assembly.

(*Signed*) Kofi A. **Annan**

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UNITED NATIONS **A S**

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Security Council

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GENERAL ASSEMBLY
Fifty-fourth session
Agenda item 50
THE SITUATION IN AFGHANISTAN AND ITS IMPLICATIONS FOR INTERNATIONAL PEACE AND SECURITY

SECURITY COUNCIL
Fifty-fourth year

Identical letters dated 5 November 1999 from the Permanent Representative of Afghanistan to the United Nations addressed to the Secretary-General and the President of the Security Council

Upon instructions from my Government, I have the honour to enclose herewith a note verbale dated 5 November 1999 from the Ministry of Foreign Affairs of the Islamic State of Afghanistan and two texts appended to it.

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 50, and of the Security Council.

(Signed) A. G. Ravan FARHÂDI
Ambassador
Permanent Representative

Annex

Note verbale dated 5 November 1999 from the Ministry of Foreign Affairs of Afghanistan addressed to the Secretary-General

The Ministry of Foreign Affairs of the Islamic State of Afghanistan presents its compliments to His Excellency the Secretary-General of the United Nations and has the honour to present herewith an editorial entitled "Murderous Taliban must not be appeased", by Agence France Presse, dated 3 November 1999 (appendix I) and a news report entitled "Afghan rulers drive 130,000 from homes", dated 20 October 1999, in The Guardian (London) by Barry Bearak (appendix II).

Appendix I

Editorial entitled "Murderous Taleban must not be appeased", by Agence France Press, dated 3 November 1999

IN about two weeks (Nov 19), the United Nations will impose sanctions on Afghanistan's ruling Taleban militia if suspected terrorist Osama bin Laden is not turned over for trial in the United States.

The US government maintains that bin Laden masterminded the twin bombings of its embassies in Kenya and Tanzania last year and wants him deported. The Taleban, which acknowledges the Saudi exile is living in their country, has so far refused to surrender him, citing the lack of an extradition treaty with Washington and an Islamic court hearing that cleared him of any connection to the bombings.

At the same time, the Taleban, which controls 85 per cent of Afghanistan but does not hold a UN seat because of opposition from the US and other countries, has said it is willing to discuss the issue with Washington and made it clear it wants to improve relations with the rest of the world. Over the weekend, bin Laden said he was ready to leave Afghanistan if a sanctuary could be found, suggesting he fears his future is no longer secure in the country.

As evil as bin Laden may be, the UN needs to be wary about offering too much in the way of diplomatic recognition to the Taleban. Since they began their unstoppable march to power in mid-1995 the Taleban have shown themselves to be one of the most viciously repressive regimes in the world. Any deal that surrenders whatever leverage the UN has to use on the Taleban for the sake of bringing one suspected criminal to justice would be a poor trade. Bin Laden is blamed for a handful of terrorist acts. The Taleban has instituted a reign of terror over an entire population.

It is easy to understand Washington's anger and determination to have bin Laden arrested. Its efforts to capture him, take military action against his hideouts, or isolate him internationally have so far ended in frustration and, in the case of the US air force's bombing of a Sudan chemical factory, the deaths of apparently innocent people.

The attacks allegedly plotted by bin Laden are the worst kind of terrorism: blind, senseless crimes of hatred that achieve nothing other than darken the name of Islam. In the embassy attacks, bin Laden's bombers killed hundreds of innocent Africans and a handful of low-level American foreign service workers. Still, his record of destruction pales compared to that of the Taleban who have seized control of a war-ruined country and taken it back 600 years into a medieval nightmare.

They have assassinated political opponents inside and outside the country, isolated the population from the outside world by banning all radios and televisions, and set about destroying all non-Muslim monuments in the country. Their strict interpretation of Islam has been particular hard on women and girls, who cannot leave their homes without a male guardian to accompany them. They are not permitted to work or go to school. They are forbidden from seeing male doctors and as a result women and girls are dying in droves from untreated diseases. Any resistance to the Taleban has been met with savage beatings, mutilations, abductions and murder. Civilians have been shot for being

caught with alcohol and yet at the same time Afghanistan's opium trade has flourished under Taleban rule.

Militarily, the militia have committed excesses in a country that has been little more than a battleground for ruthless warlords for the past two decades. In July, after suffering a military setback at the hands of the forces of Ahmad Shah Massoud, their sole remaining opposition, the Taleban militia went on an ethnic-cleansing spree in the Shamali Valley just north of Kabul. Entire towns in the predominantly Tajik and shi'ite areas were levelled, military-aged males were killed, livestock machine-gunned, fruit trees sawn down, and irrigation canals blasted.

The offensive against the civilians sent some 65,000 new refugees to join the 130,000 estimated to be living outside and near Kabul. With winter closing in, a humanitarian crisis is building and yet aid agencies have found nothing but obstructions in their dealings with Taleban leaders.

The capture of bin Laden is an emotional issue in the US and the world would undoubtedly be a safer place if he was locked away. But the UN needs to remain tough in its dealings with the Taleban. The world body has failed miserably in trying to bring peace to the country over the past 21 years and Secretary-General Kofi Annan's latest special peace envoy to the country quit just last month, saying the situation was hopeless.

Much needs to be done to help Afghanistan. Whatever power the UN has to sway the Taleban to improve its appalling human rights record should be used judiciously. For the UN, the issue should be one of priorities.

Appendix II

Afghan rulers drive 130,000 from homes

The Guardian (London), 20 October 1999

The Taliban, who want a UN seat, have been killing and burning in their own land

Barry Bearak in Bazarak, eastern Afghanistan

Those who only had their houses burned or crops destroyed often apologise because their story is not bad enough.

They feel sheepish about complaining, so they lead the way to the worse off, the irretrievably broken or the unbearably sorrowful: the children whose parents were killed before their eyes, or men whose wives were carried off screaming.

Or the old woman whose story no one is sure of, who has been sobbing now for two months, fingering a red flower embroidered on a pink cloth.

This is the human wreckage left behind by the binge of blood lust and mayhem unleashed this summer by the Taliban militia who rule Afghanistan, and thousands of Pakistani followers lit with the fervour of supposed jihad.

Killing wantonly, emptying entire towns, machine-gunning livestock, sawing down fruit trees, blasting apart irrigation canals: the destructive spree by the militia is described in consistent detail by witnesses.

Among the survivors are an estimated 65,000 refugees who have escaped to the Panjshir valley, a nape of land nestled in the Himalayan peaks of the Hindu Kush. Huddled in makeshift tents of cloth and plastic, relentlessly foraging for firewood, they are free for now from their tormentors but not yet safe from the furious winds and snows of winter.

The Taliban began their summer offensive in northern Afghanistan on July 28, trying to conquer the only part of the country outside their control.

Their main drive was into the Shamali valley, just north of the capital, Kabul. At least 6,000 soldiers rolled through towns and villages in what survivors call a well-coordinated assault supported by tanks, artillery and air bombardments.

Within a week the Taliban were celebrating victory, only to be stunned by a night counter-attack by opposition forces under Ahmad Shah Massoud.

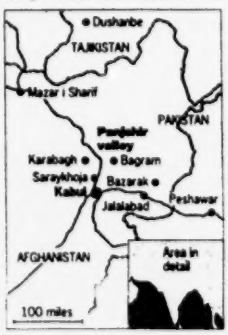
The Massoud forces ambushed and killed hundreds, perhaps more than 1,000, of the Taliban, who went on to suffer even more losses in a disorderly retreat, according to reports. But much of the territory recovered was already in ruin.

Dozens of refugees from Guldara, Bagram, Saraykhoja, Karabagh and other towns to the north of Kabul, interviewed independently, told much the same story: people shot in their homes, fires everywhere, beatings.

"Why did they have to kill my cows and goats, and why cut down the mulberry trees and stomp through my garden?" said Mohammed Kasim, 59. He is now a refugee in the eastern town of Bazarak. His home is a tent of thin blankets held up by branches.

Nafas Jon, 45, a gaunt, tired woman with six children, has taken sanctuary with 1,000 others in Bazarak's decrepit little school. "The Taliban took my husband out of the house and cut him down," she said.

"They were killing everyone who looked young, thinking they must be soldiers. I screamed then, and I cry now. We have nothing left.



"We returned once to see our house," she said, pausing a few seconds to frame the memory in her mind. "The ceiling is now on the ground."

To the victims, the purpose of the Taliban's summer offensive was obvious. The militia is largely made up of ethnic Pathans; they wanted to rid the area of ethnic Tajiks, whose resistance to them has been steadfast, and to leave their enemies with nothing.

Taliban leaders say that their campaign was to save a populace living in constant danger because Commander Massoud's forces, the so-called United Front, used the towns to launch attacks.

To "save" the citizenry, the Taliban forced most to flee; others were trucked to Kabul or the eastern city of Jalalabad.

About 12,500 people — more than 8,000 of them children — are living in the compound of the closed Soviet embassy in Kabul, the UN says. A Massoud official says more than 2,000 Tajik men are locked in the stone caverns of the Pul-i-Charki prison in the city.

There are estimated to be 130,000 refugees in all, the largest concentration in the Panjshir valley. With fighting still going on, the extent of the death and destruction is impossible to measure. Individual accounts are, however, supported by the uniformity of their particulars.

Mohammed Wali, a round-faced boy of 10, poked his head through a crowd to call, "They shot my father, and I saw it."

There had been a hard knocking on their door. His father nervously walked to the gate. Men outside fired Kalashnikovs. With his father dead, he ran inside as fast as he could. His mother, he said, "needed to know about it right away".

Shakar Gul sat on a rock with her arms around her nephew Gules Tan, 3. "His father was killed, and his mother was taken away. He cries out, 'Where is my mother?' We tell him she has gone away but will come back. In time, God willing, he will forget her. *New York Times*

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General Assembly

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Fifty-fourth session
Agenda items 118 and 164

Review of the efficiency of the administrative and financial functioning of the United Nations

Human resources management

Gratis personnel provided by Governments and other entities

Report of the Secretary-General

Summary

The present document contains both the quarterly and the annual report of the Secretary-General on the use of gratis personnel. The quarterly report covers the situation of gratis personnel during the period from 1 July to 30 September 1999, while the annual report refers to the situation during the period from 1 October 1998 to 30 September 1999

99-33399 (E) 181199

I. Introduction

1. The present report is submitted in response to General Assembly resolution 51/243 of 15 September 1997, in paragraph 6 of which the Secretary-General was requested to report on a quarterly basis on the acceptance of the gratis personnel referred to in paragraph 4 of the resolution, with a view to ensuring compliance with its provisions. In paragraph 12 of the same resolution, the Assembly requested the Secretary-General to report annually on the use of gratis personnel, indicating, *inter alia*, their nationality, the duration of their service and the functions performed.

2. The present report updates previous quarterly reports (A/52/709 and Corr.1, A/C.5/52/43, A/C.5/52/51, A/C.5/52/56, A/53/715, A/C.5/53/54, A/C.5/53/59 and A/53/1028) and covers the period from 1 July to 30 September 1999. It also contains the annual report for the period 1 October 1998 to 30 September 1999, which updates the previous annual report (A/53/715).

II. Quarterly report on the acceptance of type II gratis personnel for the period from 1 July to 30 September 1999

3. During the period from 1 July to 30 September 1999, 264 type II gratis personnel commenced service. To understand the overall situation since 28 February 1999, this number must be added to the 106 such personnel engaged in June 1999. Of this total, 272 gratis personnel completed their duties within the period under review, as shown in table 1. The total number of gratis personnel as at 30 September 1999 was 98.

4. In August 1999, the Department of Peacekeeping Operations/Field Administration and Logistics Division accepted 6 type II gratis personnel to perform specialized advisory functions in support of the United Nations Interim Administrative Mission in Kosovo (see table 6).

5. The Secretary-General, in a letter dated 11 June 1999 addressed to the President of the General Assembly (A/53/1001), sought the agreement of the Assembly to a final extension of the services of the one remaining individual brought in as gratis personnel in the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 at The Hague until the end of August 1999. The International Tribunal has confirmed that the service of this individual was concluded, as scheduled, on 31 August 1999.

6. In view of the developments in Kosovo, the Secretary-General, in a letter dated 9 June 1999 addressed to the President of the General Assembly (A/53/1000), advised the Assembly of his intention to approve the request of the Prosecutor of the International Tribunal to identify specialized personnel for multifaceted investigation teams. These teams were to perform specialized functions in crime scene examinations, ballistic and explosives assessment, weapons and munitions identification, evidence-gathering and ethnic cleansing assessment. Consequently, the Tribunal accepted 258 forensic investigators with specialized field expertise not otherwise available to the Tribunal. The functions and justification for employment of the investigators are specified in table 6 B. During the period under review, 272 investigators completed their duties, as indicated in table 1.

7. In the most recent quarterly report, the Secretary-General informed the General Assembly that a number of type II gratis personnel not reported previously by the United Nations Environment Programme might have continued in service beyond the 28 February cut-off date mandated by the Assembly (A/53/1028, para. 8). The United Nations Environment Programme has since reported that it had inadvertently reported type I gratis personnel as type II gratis personnel. Consequently, table 4 shows no current type II personnel at the United Nations Office at Nairobi.

III. Annual report on the use of gratis personnel

Type I gratis personnel

8. Table 2 provides data on type I gratis personnel who serve under an established regime. These are the interns, associate experts, technical cooperation experts obtained by non-reimbursable loan and gratis personnel serving with the United Nations Special Commission (see A/51/688/Add.2, para. 4, and A/51/688/Add.3, para. 3). The total for each category as at 30 September 1999 is compared with the numbers contained in previous reports of the Secretary-General. The suspension of the activities of the United Nations Special Commission effectively explains the absence of data as at 30 September 1999. Prior to 1999, associate experts were not recorded in the Integrated Management Information System and were reported

separately. Therefore, the increase in their number may be partly owing to incomplete reporting in previous periods.

Type II gratis personnel

9. Table 1 provides information on the number of engagements and repatriation of type II gratis personnel in service as at 30 September 1999.

10. Table 3 provides information on type II gratis personnel in service as at 30 September 1999, by department or office, nationality and duration of service. Ten nationalities are represented; all are serving for less than one year.

11. Table 4 shows the evolution of type II gratis personnel during the period from 1 October 1998 to 30 September 1999, by department or office. The total of 98 as at 30 September 1999 shows a decrease of 27 per cent, compared with the total of 134 as at 30 September 1998. The number of departments or offices decreased from six on 30 September 1998 to two on 30 September 1999. As requested by the General Assembly in resolution 53/11 of 26 October 1998, all except one individual serving with the International Tribunal for the Former Yugoslavia were phased out as at 28 February 1999. In June 1999, 105 forensic investigators were accepted by the International Tribunal (see A/53/1000), followed by an additional 83 in July, 112 in August and 63 in September. In August 1999, the Department of Peacekeeping Operations/Field Administration and Logistics Division accepted for Kosovo 6 experts in civil affairs (i.e., in public health, public finance, administration, municipalities etc.).

12. Table 5 shows the distribution as at 30 September 1999 of type II gratis personnel, by nationality and duration of service. Compared to the previous year, the number of nationalities represented decreased from 27 to 10. The duration of service is below one year for all type II gratis personnel.

13. Tables 6 A and 6 B provide further information as at 30 September 1999 on the nature of the functions performed by type II gratis personnel, by department or office.

14. Table 7 shows the numbers of regular staff in the departments or offices where type II gratis personnel performed functions as at 30 September 1999, and the ratio of gratis personnel to staff.

Abbreviations used in the tables

DPKO	Department of Peacekeeping Operations
DPKO/FALD	Department of Peacekeeping Operations/Field Administration and Logistics Division
OCHA	Office for the Coordination of Humanitarian Affairs
UNOIP	United Nations Office of the Iraq Programme
UNON	United Nations Office at Nairobi
UNOV	United Nations Office at Vienna
UNSCOM	United Nations Special Commission

Table 1

Quarterly report on the number of engagements and separations of type II gratis personnel

(1 July-30 September 1999)

Department or office	*Number engaged in June*	*Number separated in June*	*Number as at 30 June 1999*	*Number engaged in July*	*Number separated in July*	*Number as at 31 July 1999*	*Number engaged in August*	*Number separated in August*	*Number as at 31 August 1999*	*Number engaged in September*	*Number separated in September*	*Number as at 30 September 1999*
International Tribunal for the Former Yugoslavia	106	1	106	83	98	91	112	101	102	63	73	92
DPKO/FALD	0	0	0	0	0	0	6	0	6	0	0	6

Table 2
Evolution of type I gratis personnel

As at	*Interns*	*Associate experts*[a]	*Technical cooperation experts*[b]	*UNSCOM*[c]	*Total*
31 October 1996	131	76	31	112	350
30 September 1997	195	72	32	109	408
30 September 1998	214	115	31	18	378
31 December 1998	20	149	26	35	230
31 March 1999	55	126	23	27	231
30 June 1999	167	107	15	13	302
30 September 1999	202	227	18	0	447

[a] 200 series.

[b] See ST/AI/231/Rev.1.

[c] See S/22508.

Table 3
Type II gratis personnel, by department or office, nationality and duration of service
(as at 30 September 1999)

Department or office	*Country of nationality*	*Count*	*Duration of service*
DPKO/FALD	Germany	1	Under one year
	Switzerland	4	Under one year
	Turkey	1	Under one year
	Subtotal	**6**	
International Tribunal for the Former Yugoslavia	Austria	5	Under one year
	Canada	11	Under one year
	Denmark	2	Under one year
	France	7	Under one year
	Germany	43	Under one year
	Luxembourg	1	Under one year
	Spain	3	Under one year
	Switzerland	12	Under one year
	United Kingdom of Great Britain and Northern Ireland	8	Under one year
	Subtotal	**92**	
	Total	**98**	

Table 4
Evolution of the number of type II gratis personnel, by department or office
(1 October 1998-30 September 1999)

Department or office	*Reported on 30 September 1998*	*Reported on 30 September 1999*	*Change*
DPKO	100	0	-100
DPKO/FALD	0	6	+6
International Tribunal for the Former Yugoslavia	14	92	+78
International Criminal Tribunal for Rwanda	12	0	-12
OCHA	2	0	-2
UNOIP	1	0	-1
UNON	5	0	-5
Total	**134**	**98**	**-36**

Table 5
Type II gratis personnel, by nationality and duration of service
(as at 30 September 1999)

Country of nationality	*Count*	*Duration of service*
Austria	5	Under one year
Canada	11	Under one year
Denmark	2	Under one year
France	7	Under one year
Germany	44	Under one year
Luxembourg	1	Under one year
Spain	3	Under one year
Switzerland	16	Under one year
Turkey	1	Under one year
United Kingdom of Great Britain and Northern Ireland	8	Under one year

Table 6
Functions performed by type II gratis personnel in service, by department or office
(as at 30 September 1999)

A. Department of Peacekeeping Operations/Field Administration and Logistics Division (6)[a]

Country of nationality	*Function*	*Number of persons*
Germany	Special Adviser to the Deputy Special Representative of the Secretary-General	1
Switzerland	Public health/civil affairs	1
Switzerland	Civil affairs/public finance/municipalities	1
Switzerland	Civil affairs/public finance/municipalities	1
Switzerland	Civil affairs/public finance/municipalities	1
Turkey	Civil affairs/public finance/municipalities	1

[a] United Nations Interim Administrative Mission in Kosovo.

B. International Tribunal for the former Yugoslavia (92)

Country of nationality	*Function*	*Number of persons*
Austria	Inspector	1
	Inspector	1
	Inspector	1
	Inspector	1
	Inspector	1
	Total	**5**
Canada	Photographer	1
	Investigator	1
	Investigator	1
	Investigator	1
	Forensic Anthropologist Officer	1
	Forensic Anthropologist Officer	1
	Forensic Anthropologist Officer	1
	Investigator	1
	Forensic Anthropologist Officer	1
	Forensic Anthropologist Officer	1
	Forensic Anthropologist Officer	1
	Total	**11**
Denmark	Inspector	1
	Investigator	1
	Total	**2**

Country of nationality	*Function*	*Number of persons*
France	Expert	1
	Forensic Anthropologist Officer	1
	Photographer	1
	Investigator	1
	Investigator	1
	Chief	1
	Forensic Anthropologist Officer	1
	Total	**7**
Germany	Forensic Anthropologist Officer	1
	Chief	1
	Chief	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Medical Officer	1
	Medical Officer	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1

Country of nationality	*Function*	*Number of persons*
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Title to be determined	1
	Title to be determined	1
	Total	**43**
Luxembourg	Investigator	1
	Total	**1**
Spain	Investigator	1
	Investigator	1
	Inspector	1
	Total	**3**
Switzerland	Chief	1
	Forensic Anthropologist Officer	1
	Forensic Anthropologist Officer	1
	Investigator	1
	Investigator	1
	Investigator	1
	Investigator	1
	Forensic Anthropologist Officer	1
	Chief	1
	Investigator	1
	Investigator	1
	Investigator	1
	Total	**12**
United Kingdom of Great Britain and Northern Ireland	Forensic Investigation Officer	1
	Fire Officer	1
	Photographer	1
	Security Sergeant	1
	Investigator	1
	Photographer	1

Country of nationality	*Function*	*Number of persons*
	Investigator	1
	Forensic Anthropologist Officer	1
	Total	**8**

Table 7
Numbers of regular staff in the departments or offices where type II gratis personnel performed functions
(as at 30 September 1999)

Department or office	*Professional and higher categories*	*General Service and related categories*	*Total staff*	*Number of gratis personnel*	*Ratio of gratis personnel to staff (percentage)*
DPKO/FALD	489	962	1 451	6	0.4
International Tribunal for the Former Yugoslavia	352	423	775	92	11.9

United Nations A/54/534

General Assembly

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Fifty-fourth session
Agenda item 20 (b)
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions

Economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia

Report of the Secretary- General

Contents

		Paragraphs	Page
I.	Introduction	1–3	2
II.	Information regarding economic assistance to the affected States	4–42	2
	A. Communications received from States	5–11	2
	B. Response of the United Nations system	12–38	4
	C. Regional initiatives and assistance arrangements	39–42	9
III.	Participation by the affected States in the process of post-conflict reconstruction and rehabilitation of the former Yugoslavia	43–53	10
	A. Involvement in rendering humanitarian assistance	44–47	10
	B. Supply for the United Nations peacekeeping missions	48–50	11
	C. Contribution to reconstruction and development efforts	51–53	12
IV.	Conclusions	54–58	13

99-33524 (E) 161199

I. Introduction

1. In its resolution 52/169 H of 16 December 1997, the General Assembly expressed concern at the persistence of special economic problems confronting neighbouring and other States affected by the consequences of the severance of their economic relations with the Federal Republic of Yugoslavia during the period when the sanctions had been in force and during the period following the lifting of the sanctions, and welcomed the support already given by the international community to deal with the special economic problems of the affected States in view of the problems that the imposition of sanctions had posed.

2. In the same resolution, the General Assembly renewed its invitation to all States and the relevant international organizations, both within and outside the United Nations system, in particular the international financial institutions, to continue to take into account the special needs of the affected States in providing assistance to them during the transition period following the lifting of the sanctions. The Assembly encouraged the affected States of the region to continue the process of multilateral regional cooperation in such fields as cross-border infrastructure projects and the promotion of trade and investment, thus alleviating the adverse impact of the sanctions. The Assembly urged the relevant international organizations to take appropriate steps in order to broaden access for suppliers from the affected countries and to ensure their active participation in the process of post-conflict reconstruction and rehabilitation of the former Yugoslavia.

3. Also in resolution 52/169 H, the General Assembly requested the Secretary-General to report to the Assembly at its fifty-fourth session on the implementation of the resolution, in order to assess the situation and to present an analysis of the implementation of the resolution, with a view to concluding consideration of the question. The present report was prepared in response to that request.

II. Information regarding economic assistance to the affected States

4. Pursuant to General Assembly resolution 52/169 H, the Secretary-General, in a note verbale dated 11 May 1999, invited Governments to communicate information on action taken by them to alleviate the special economic problems of the affected States.[1] In addition, the relevant international organizations, both within and outside the United Nations system, including the international financial institutions and regional organizations concerned, were invited to provide updated information on their assistance activities on behalf of the affected countries.[2] Substantive features of the replies received are summarized below.

A. Communications received from States

5. As at 25 October 1999, two States, namely, Germany and Ukraine, had sent substantive replies to the note verbale of the Secretary-General, as follows.

6. **Germany** provides financial assistance to the countries affected by the sanctions against the Federal Republic of Yugoslavia to a considerable extent. This assistance supports the mitigation of economic difficulties as well as structural reforms in these countries. On the bilateral level, Germany has supported the following affected countries: Albania (DM 477.5 million (477.5 million deutsche mark) since 1987), Bosnia and Herzegovina (DM 171.4 million since 1993), Bulgaria (DM 104.2 million since 1991), Croatia (DM 50.7 million since 1992), Romania (DM 140 million since 1991) and the former Yugoslav Republic of Macedonia (DM 133.5 million since 1993). In addition, Germany participates in several multilateral assistance programmes for these countries, such as those in the framework of the European Union (EU), the World Bank and the European Bank for Reconstruction and Development (EBRD).

7. **Ukraine** is one of the States most seriously affected by the application of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia. The Ukrainian economy has suffered and continues to suffer considerable losses which have further worsened the socio-economic situation of the country. The consequences have been even more significant for a number of branches of industry that have traditionally close economic ties to the region. According to the estimates of Ukrainian experts, over the period of application of the sanctions regime in question, Ukraine incurred some $4.5 billion in direct losses alone. The social costs of these losses were even higher for the country which is still in transition from a planned to a market economy.

8. Currently, Ukraine is also among those countries for whom the long-term consequences of economic losses sustained during the sanctions regime period have been exacerbated by the complete disruption of the commercial traffic on the Danube due to the destruction of bridges across the river. Hence, the traditional transit of commercial cargo via the Danube to Germany, Austria, Hungary, Slovakia and further to the Czech Republic and Poland had to be reoriented to alternative transportation routes by sea or

railway. The once biggest shipping company of Ukraine, the Ukrainian Danube Shipping Company (UDASCO), which used to operate more than 1,000 vessels depending completely on trans-shipment via the Danube, has lost more than 85 per cent of its cargo turnover and is again sustaining huge losses now totalling $313,000 per day.

9. Ukraine continues to consider that the relevant General Assembly resolutions that address the problems of third States have not been properly implemented. Technical, financial or material assistance received by Ukraine so far, while being provided under general programmes of assistance, did not target the affected industries and sectors of the Ukrainian economy and is by far inadequate to cover, at least partially, the losses incurred by Ukraine as a result of the application of sanctions imposed on the Federal Republic of Yugoslavia. In this connection, Ukraine underlines the importance of a more active and practical participation of the international financial institutions in providing additional financial assistance to the affected economies, and reiterates its earlier proposals to that effect, as contained in its position paper on the problems of implementation of the economic sanctions imposed by the Security Council (see A/51/226, annex-S/1996/595, annex). Ukraine believes that, in order to address specifically and directly the special economic problems of third States, the International Monetary Fund (IMF) and the World Bank could consider establishing a special mechanism which would allow these institutions to mobilize new and additional financial resources, in order to provide, on exceptional and concessionary terms, emergency financial assistance that would go above and beyond the traditional interventions on account of macroeconomic imbalances or structural adjustment programmes. It is important that such financial assistance (for example, special credit lines for the affected third States) be supplemented by non-financial measures of trade promotion, including special trade preferences, adjustment of tariffs, allocation of quotas, special commodity purchase agreements, finding of new markets and so forth.

10. Also, there has been no substantial progress, at least as far as Ukraine is concerned, in adopting measures to provide the affected countries with greater opportunities to participate actively in the post-conflict reconstruction, rehabilitation and development in the former Yugoslavia. Ukraine considers that such participation constitutes an important part of measures aimed at economic recovery of the affected industries. Without placing increased burden on international financial institutions or donor countries, this would rather stimulate third States to accumulate additional resources and to direct them to the needs of the affected sectors of the economy. These measures might also include the provision of a special or preferential treatment to suppliers from the affected non-target States by allocating them appropriate quotas for legitimate humanitarian supplies, and material supplies for the United Nations peacekeeping operations, as well as reconstruction and development projects undertaken by the international community in the former Yugoslavia. In this context, Ukraine attaches particular importance to developing multilateral regional cooperation in the field of post-conflict rehabilitation and reconstruction which could include elaboration of special mechanisms of assistance to third States. Such mechanisms may well be elaborated within the existing frameworks of the Black Sea Economic Cooperation organization, and the Stability Pact for South-Eastern Europe, or under special regional projects that may be developed specifically for the purpose of assisting third States in overcoming long-term consequences of economic losses sustained during the sanctions regime period.

11. Ukraine continues to believe that the establishment of an effective mechanism for overcoming the adverse consequences of Security Council-imposed sanctions requires a strong political will on the part of the international community and its individual members. It is important that the United Nations serve as the focal point in coordinating the full range of activities undertaken in implementation of Article 50 of the Charter of the United Nations by the institutions both within and outside the United Nations system. It is also essential that the relevant United Nations bodies take the primary responsibility for carrying out non-financial measures of assistance to third States. Ukraine therefore considers that the issue of economic assistance to the affected States should remain in the agenda of the General Assembly. At the same time, Ukraine recalls its previous proposals, which were made in the course of discussions at the United Nations on sanctions-related issues, with regard to possible ways of partial compensation of losses sustained by the affected third countries. In particular, reference is made to the letter dated 8 June 1995 from the President of Ukraine addressed to the Secretary-General, proposing a number of practical measures for alleviating the negative impact on third States of sanctions imposed by the Council under Chapter VII of the Charter of the United Nations (see A/50/259, annex-S/1995/517, annex). It is Ukraine's strong view that those proposals remain fully valid to date.

B. Response of the United Nations system

12. As at 25 October 1999, a total of 12 organizations, programmes and agencies of the United Nations system had provided updated information on their assistance activities in the affected countries. The replies received indicate that all the relevant components of the United Nations system have continued to provide development support to the affected countries in the period following the lifting of the sanctions. Such activities have contributed to overall economic and social recovery in the recipient countries and have thus indirectly offset some of the special economic problems resulting from the sanctions. However, in most instances, the reported activities for 1997-1999 were not directly related to the effects of the sanctions and, therefore, are not fully reflected in the following section of this report.

13. The **International Labour Organization (ILO)** has provided assistance to the affected States through its advisory services and technical cooperation programmes carried out at the regional and country levels and based on international labour standards and on active partnership and local ownership policies. The ILO Multidisciplinary Advisory Team for Central and Eastern Europe (CEET) in Budapest started to operate in the beginning of 1993, and at present covers 16 countries of the region, including the Balkan and other affected States. It is recognized that there has been considerable strain and pressure on the labour market of those countries owing to the sanctions regime and economic recession in the conflict-stricken countries of the region. Hence, particular emphasis in CEET activities is placed on the development of labour legislation in conformity with international standards; the promotion of full, productive and freely chosen employment; the improvement of working and living conditions; and the development of sound labour relations and appropriate systems of social protection. All these activities have been intended to enable the affected countries to better cope with the adverse social effects of the sanctions and other factors affecting their labour markets.

14. In all the affected countries of the region, CEET means of action include conferences and workshops, training seminars, advisory missions and the publication of books, reports, discussion papers and newsletters. The Team has been active in such areas as: (a) assisting the capacity-building and professional competency of Governments and workers' and employers' organizations; (b) promoting social dialogue, tripartite consultation and negotiation mechanisms at the national level and sound labour-management relations at the industry-wide, enterprise and local levels; (c) monitoring labour-market developments and promoting active labour-market and employment policies; (d) furthering a tripartite approach to economic, industrial and social restructuring in regions and local communities; (e) assisting the reform of systems of social security and social protection; and (f) providing advice on wages and incomes policy. In particular, ILO considers social dialogue a means of action as well as an objective, since a stable social situation is an important prerequisite of social and economic development in the region. It would contribute to the integration of social and civil groups into the decision-making process, which is also one way of involving ethnic minorities in society. This last approach had been often neglected and, more recently, it was the root cause of social unrest and civil war in some countries of the region.

15. In the wake of the Kosovo crisis, ILO set up a Balkan Task Force (IBTF) which is responsible for developing and monitoring ILO activities in Albania, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia. The ILO's principal role in the Balkans, and more specifically in Kosovo, is to participate in the creation of opportunities for women and men in securing decent employment and income. For the time being, the main areas of IBTF activities are: (a) emergency employment creation through labour-intensive methods; (b) vocational training and promotion of small and medium-sized enterprises (SMEs); (c) labour-market assessment and rapid data collection; (d) social protection schemes, including social security, social assistance and social safety nets; and (e) institutional capacity-building, promotion of social dialogue, reconciliation and social healing and an appropriate labour law framework. To facilitate the implementation of these activities, two support units have been established in Priština and in Tirana. A number of specific projects have been developed, pending financing by the donor community.

16. The **Food and Agriculture Organization of the United Nations (FAO)** has been implementing, since July 1997, 28 technical assistance projects in the six most seriously affected countries of the region — Albania (10), Bulgaria (5), Hungary (1), Romania (6), Slovakia (4) and the former Yugoslav Republic of Macedonia (2) — in such subsectors as crop development, livestock, fisheries, forestry, food control and consumer protection, agricultural support systems, rural development, natural resources management and policy advice for agricultural strategy formulation. In the last-mentioned category, two projects have been implemented, one in Bulgaria and another in Slovakia. In total, such assistance amounts to $15.5 million, of which $6.3 million is funded from the FAO Technical Cooperation Programme, and $9.2 from bilateral and multilateral sources. In addition, 10 microprojects (5 in

Albania and 5 in the former Yugoslav Republic of Macedonia) are being implemented for the total amount of $100,000 funded from the FAO TeleFood Special Fund.

17. As regards other countries that also reported economic difficulties as a result of the sanctions regime, FAO has been implementing 15 technical assistance projects in the following three countries: the Czech Republic (1), the Republic of Moldova (4) and Turkey (10). Such assistance totals $4.6 million, of which $2.3 million is funded from the FAO Technical Cooperation Programme, and another $2.3 million from multilateral sources. In addition, 10 microprojects (6 in the Republic of Moldova and 4 in Turkey) amounting to $94,000 are funded from the FAO TeleFood Special Fund. Moreover, the FAO Investment Centre has assisted in the identification and/or preparation of investment projects in Albania, the Republic of Moldova, Romania, Turkey and Uganda.

18. The FAO Global Information and Early Warning System has continuously monitored and regularly reported on the food supply/utilization situation and outlook in the affected countries. Specific activities since 1997 include food needs/supply assessment missions dispatched to Albania, Bulgaria and the former Yugoslav Republic of Macedonia. As a result, special food alerts have been issued for Albania and the former Yugoslav Republic of Macedonia.

19. The **World Bank** has been carrying out wide-ranging assistance activities in the countries of central and eastern Europe affected by the sanctions against the Federal Republic of Yugoslavia and, more generally, by the Balkan conflict. Those activities encompass such areas as private sector development, improvement of infrastructure links with neighbouring countries, alleviation of balance-of-payments problems, and support to social safety nets, including health, education and employment policies.

20. In Albania, a member of the International Development Association (IDA) since October 1991, the Bank has supported a total of 35 IDA credits amounting to $481.75 million. The current portfolio contains 23 projects totalling $336.35 million. These credits support the country's adjustment efforts with an emphasis on institutional reform, infrastructure, the social sector, agriculture and technical assistance. In response to the recent crisis in Kosovo, the Bank approved a new quick-disbursing public expenditure support credit of $30 million. An existing structural adjustment credit was also increased from $20 million to $45 million. In addition, a credit of $5 million for a community works project was approved, together with a second post-conflict grant of $1 million. Moreover, the Bank has prepared two projects on emergency infrastructure support to improve water facilities and on judicial and public administration support to strengthen governance and institutional capacity.

21. In Bosnia and Herzegovina, the Bank's assistance strategy continued to focus on restarting economic activity, facilitating institution-building, transitional policy reforms and reconstruction of physical assets. Beyond the series of seven emergency operations that were financed from a special $150 million trust fund in 1996, 23 additional IDA operations totalling $547.6 million have been approved since the beginning of normal Bank lending in June 1996. In 1997, IDA assistance amounted to $207.6 million, and focused on such areas as support for the Government's macroeconomic and institutional reforms; electric power reconstruction; establishment of a guarantee facility for industry; employment generation through public works; retraining and loans to micro-businesses; housing, hospital and school repairs; and landmine clearance. In an effort to both deepen the sustainability of reconstruction and strengthen public finance reform, another eight IDA credits totalling $177 million were approved in 1998. Operations approved in 1999 reflect the planned shift in emphasis from emergency reconstruction to ensuring the sustainability of economic institutions and sound macroeconomic management, as well as the medium- to longer-term viability of policies aimed at stimulating private investment, banking reform and privatization. These are six IDA credits for $163 million, including the second structural adjustment credit to promote the establishment of public finance structures and the implementation of reform policies at the State and entity levels. In response to the Kosovo crisis, this credit was increased to $28 million to provide the country with additional balance-of-payments support. Looking ahead, a second privatization adjustment credit and a social protection adjustment credit are under preparation. In addition, three operations are being planned that would extend Bank support for the electric power, education and infrastructure sectors.

22. In Bulgaria, Bank assistance has focused on balance-of-payments support for the economic restructuring effort and mitigation of any attendant social impact. Three loans were approved, including a $80 million social protection adjustment loan, a $75 million agricultural sector adjustment loan and a $5 million regional initiative fund. Three additional loans are currently under preparation, including a second financial and enterprises sector adjustment loan, an environmental loan and a privatization support loan. Specifically, these loans will target liquidation and privatization of State-owned enterprises, financial

management, banking sector reforms, energy sector restructuring and the creation of a framework for incorporating environment concerns into the privatization of highly polluting industries.

23. In Hungary, the Bank provided support for the Government's stabilization programme and ongoing efforts aimed at consolidation through two loans: a $225 million enterprise and financial sector adjustment loan and a $150 million public sector adjustment loan. In addition, the Bank recently approved a $150 million loan for higher education reform and a $36 million loan for a youth training project. Future Bank support is likely to focus on health sector reform and subnational development.

24. In Romania, Bank lending has focused on facilitating private sector development, reducing poverty and improving infrastructure. As for private sector development, the Bank approved a $300 million private sector adjustment loan and a $25 million private sector institution-building loan. Specifically, these loans target privatization, banking sector reform and creation of a more attractive business environment. These also include a social mitigation component to address the needs of workers displaced by privatization. The Bank is also active in supporting poverty reduction through a social development fund loan for $10 million, and a child welfare loan for $5 million. Infrastructure lending has targeted the energy, transport, urban water supply and telecommunications sectors.

25. In the former Yugoslav Republic of Macedonia, the Bank has committed some $500 million for 17 projects. Support has been provided to the Government in several areas, including productive sector development, stabilization and structural reforms, social safety nets, and education and health. Currently, the Bank is undertaking a number of special activities to alleviate the negative impact of the Kosovo crisis on the country's economy. A $1 million post-conflict fund grant has been approved to support institutions providing assistance to refugees, including trauma counselling and educational activities for children. In addition, an IDA emergency recovery credit for $50 million was approved to provide immediate assistance for the financing of critical imports, and an IDA social support project for $10 million was approved to help mitigate the negative impact on State-owned enterprises of bankruptcy and labour restructuring.

26. **IMF** reported that all eight countries invoking Article 50 of the Charter of the United Nations in connection with the sanctions against the Federal Republic of Yugoslavia — Albania, Bulgaria, Hungary, Romania, Slovakia, the former Yugoslav Republic of Macedonia, Uganda and Ukraine — have been eligible to make use of Fund resources in support of programmes aimed at addressing their balance-of-payments difficulties. From July 1997 to June 1999, the Fund approved additional financial assistance to some of these countries equivalent to $4,131 million, of which $1,398 million has been disbursed. These disbursements include drawings by Albania under the Emergency Assistance policy ($11.8 million) and the Enhanced Structural Adjustment Facility (ESAF) ($28.5 million), by Bulgaria under the Extended Fund Facility (EFF) ($279.5 million), by Romania under the Stand-By Arrangements ($161.1 million), by the former Yugoslav Republic of Macedonia and Uganda both under ESAF ($36.4 million and $76 million, respectively) and by Ukraine under the Stand-By Arrangements ($242.2 million) and the Extended Arrangements ($771.4 million). Hence, the total disbursements to the eight most seriously affected countries during the whole period from July 1992 to June 1999 amounted to $6,778 million. In addition, the Fund provided financial assistance to other countries in the region that had also reported economic difficulties as a result of the sanctions regime. From July 1992 to June 1999, the total commitments of Fund resources to the Czech Republic, the Republic of Moldova and Turkey amounted to $1,414 million, of which $939 million was disbursed. In total, Fund commitments to the 11 affected countries in the region from July 1992 to June 1999 were equivalent to $13,571 million, of which the sum of $7,733 million was disbursed.

27. In general, the Fund's financial assistance to the affected countries has continued to take into account, *inter alia*, the strength of their economic policies and their balance-of-payments needs, including estimates of the adverse effects of the sanctions. As with all its members, IMF also continues to support the affected countries through policy advice and technical assistance, as appropriate, to help them overcome their economic difficulties. Moreover, the Fund has been engaged in the process of post-conflict reconstruction and rehabilitation in the former Yugoslavia, most notably through active participation in the reconstruction efforts in Bosnia and Herzegovina and in addressing the consequences of the Kosovo crisis. As for the latter, the Fund has prepared regional macroeconomic assessments and projections of external financing needs in the wake of the crisis. For its part, IMF has provided additional financial support under its various facilities to the countries of the region most seriously affected by the Kosovo crisis, notably Albania, Bosnia and Herzegovina, Romania and the former Yugoslav Republic of Macedonia.

28. The **United Nations Conference on Trade and Development (UNCTAD)** continued to provide technical

assistance to several affected countries in the areas of trade facilitation and investment promotion. UNCTAD's Automated System for Customs Data (ASYCUDA) has been installed in Hungary, Romania, Slovakia and the former Yugoslav Republic of Macedonia. Similar customs automation projects are currently being prepared for Albania, Bosnia and Herzegovina and Bulgaria, including, as required, feasibility studies, field missions and funding approval. Within UNCTAD's Global Trade Point Network, national trade points have been established in Bulgaria, Hungary, Romania, Slovakia and Uganda, with a view to enhancing their participation in international trade. UNCTAD's software package, the Debt Management and Financial Analysis System, has been operational in Romania, Uganda and Ukraine. Similar projects were initiated in Albania and the former Yugoslav Republic of Macedonia. In the area of investment promotion, salient examples include advisory missions to Albania and investment policy review and training activities in Uganda.

29. The **United Nations Development Programme (UNDP)** has taken into account the special needs of the affected States both in the development strategies outlined in the respective Country Cooperation Frameworks and in specific projects carried out in the region. In 1997-1999, UNDP has continued to allocate substantial resources in support of international efforts to promote recovery and stability in the Balkans. To this end, UNDP adopted a participatory approach to work mainly at the municipal level together with the local authorities and all conflict-affected parties through the creation of multi-ethnic development councils. The rationale behind this approach is twofold: (a) to strengthen local technical capacities for rehabilitation and recovery; and (b) to ensure that all affected populations from all ethnic groups benefit from such community-based activities. In turn, directing international assistance to support decentralized and locally owned activities on behalf of all affected parties can help in regenerating war-torn communities and in promoting national reconciliation by inducing beneficiaries from different ethnic groups to work together towards a common future.

30. In Albania, UNDP has been engaged in a range of programmes designed to promote recovery and stability through such activities as capacity-building of institutions providing social services, rehabilitation of infrastructure and other income-generation support for vulnerable populations and participation in humanitarian assistance efforts on behalf of refugees, as well as civilian disarmament by providing development support in exchange for the voluntary surrender of weapons. An Area Rehabilitation and Recovery Operation (ARRO) supports local authorities, communities and civil society in developing quick impact projects in such areas as: (a) registration of refugee vehicles and of non-governmental organizations; (b) development of sanitation, water supply and garbage collection systems for communities with large refugee concentrations; (c) labour-intensive works to enhance social and economic infrastructure; (d) vocational training; and (e) socio-economic survey of refugee population. In addition, UNDP provided direct assistance to refugees through a small grant programme for non-governmental organizations funded by Italy, including purchase of non-food items for dormitories, provision of health and psychological services, monitoring of alleged abuses and rehabilitation of social infrastructure.

31. In Bosnia and Herzegovina, UNDP is involved in several programmes designed to promote peace and reconciliation in various war-stricken parts of the country. Through a group of integrated, multisectoral and area-based development projects, UNDP has been supporting the reconstruction process, focusing on rebuilding local capacities, rehabilitating social infrastructure and regenerating conditions for productive activities. Notable examples include two projects in the north-western and central areas: Rehabilitation and Sustainable Social Development (PROGRESS), which targets 12 north-western municipalities, and Social Reconstruction Assistance to Gornji Vakuf. In partnership with the European Commission, and the Japanese and German Governments, UNDP also supports three interlinked programmes for refugee resettlement and village employment and environment, which have directly benefited thousands of refugees by providing them with housing, labour-intensive employment, income-generation opportunities, legal advice, training and other support through local means. The other two pillars of the UNDP programme relate to (a) sectoral assistance projects in the areas of health care, education, agriculture, vocational training, criminal justice and business centre development and (b) policy advice to government institutions on economic transition, aid coordination, gender issues and demining.

32. In Croatia, UNDP has targeted most of its resources to a multi-donor programme designed to create favourable conditions for the return of displaced persons to the war-torn areas of Šibenik county, Eastern Slavonia, Western Slavonia, Dalmatia and Knin/Lika. Based on the participatory development approach, the programme is intended to strengthen local capacities and community works in such areas as income generation, support to the most vulnerable segments of the population and rehabilitation of social infrastructure (for example, feeder roads, schools, water supply systems). To ensure coherence, UNDP provides the

overall management and technical support to the programme, while the donors (Belgium, Sweden and EU) generally fund preferred activities in specific areas.

33. In the former Yugoslav Republic of Macedonia, UNDP concentrates its efforts on mitigating the economic and social hardships caused by the influx of refugees as a result of the Kosovo crisis. A recently started pilot phase of an employment and environment programme is intended to support local families hosting refugees in Tetovo and Skopje municipalities. Pending emergency resources, the programme will be expanded to at least four additional municipalities. As part of a strategy to work at the municipal level, UNDP is also establishing a Municipal Development Fund which will be used as a resource mobilization tool to raise supplementary donor funding so as to enhance the capacity of overburdened municipalities to provide key social, health and other services to all ethnic groups of the population. Other current projects are targeted to support 100 unemployed medical doctors and strengthen local non-governmental organizations working with refugees in host communities.

34. In order to ensure a cohesive approach to the Balkans, UNDP appointed a Special Representative for Post-Conflict Reconstruction in South-East Europe who oversees specific regional activities undertaken by six UNDP country offices in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and the former Yugoslav Republic of Macedonia. A recently published UNDP report, *Human Security in South-East Europe*,[3] was prepared to contribute to various policy dialogues on post-conflict reconstruction and development of the region. To this end, the report posits the concept of human security which should be centred not on States but on people, which should be focused not on confrontation but on human development and which should be built not around territories but around daily life. From the standpoint of human security, reconciliation and social cohesion are major preconditions for post-conflict rehabilitation and recovery. In addition, UNDP has fielded a mission to assess the feasibility of, and host government interest in, the creation of an early warning mechanism that would monitor, at the subregional level, key economic, social, political, ethnic and religious variables, carry out systematic trend analysis to track changes and potential tensions and provide, in a timely fashion, much-needed signals of forthcoming crises or emergencies.

35. The **United Nations Population Fund (UNFPA)** has provided financial support for relief, rehabilitation and development efforts in the area of reproductive health to several affected countries in the Balkan region. A country programme for Albania was approved in March 1997 for a total amount of $4 million, including $2.8 million in regular UNFPA resources. In response to the 1997 civil unrest in Albania, UNFPA approved two additional projects for the purchase of emergency equipment and supplies for primary health care facilities. In Bosnia and Herzegovina, UNFPA's activities have totalled almost $825,000 since 1995. An additional $700,000 has been allocated for 1999 to fund a project in support of reproductive health, including family planning, as part of the Government's rehabilitation and national capacity-building efforts. In May 1999, UNFPA approved its first project for the former Yugoslav Republic of Macedonia, including an initial amount of $5,000 earmarked for technical needs assessment.

36. On the outbreak of the Kosovo crisis, UNFPA's major contribution to meeting the needs of refugee women was to supply emergency reproductive health kits and other equipment to refugee camps in Albania and the former Yugoslav Republic of Macedonia and to maternity hospitals throughout Albania. A budget of $120,000 was set aside for that purpose, and UNFPA procured a total of 350,000 packets of sanitary towels and 14,000 pairs of underwear for distribution during the crisis. All of these supplies were purchased locally, totalling more than $30,000 in Albania and almost $20,000 in the former Yugoslav Republic of Macedonia. In addition, other supplies, mostly office and communication equipment, in the amount of about $6,500, were purchased in Albania, and two ultrasound machines were donated by a private company to the Albanian Ministry of Health. In the aftermath of the crisis, UNFPA has opened an office in Priština and is now formulating projects in the areas of reproductive health, violence against women, and demographic and social data collection and analysis.

37. The **Economic Commission for Europe (ECE)** has pursued and strengthened its support to a number of cooperation projects launched within the framework of regional and subregional institutions such as the South-East European Cooperation Initiative (SECI), the Central European Initiative (CEI) and the Black Sea Economic Cooperation (BSEC), which cover the areas of trade and transport, energy, enterprise development, environment and human settlements. SECI projects backstopped by ECE currently include: (a) a border crossing facilitation project which has completed its first two phases, resulting in a multi-country loan application to the World Bank for improvement to selected border crossing points in the region and a "Memorandum of Understanding on the Facilitation of International Road Transport of Goods in the SECI Region" signed by Ministers of Transport in Athens, Greece, in April 1999; (b) a series of projects identified by a group, hosted by Bulgaria, on transport infrastructure development

along main international routes, within road and rail networks of each participating country, as well as the border crossing points; (c) a project on the interconnection of electric power systems of SECI countries for better integration into the European system, which has completed its initial phase with the identification of five sub-projects and the adoption of terms of reference for feasibility studies; (d) a project on energy efficiency demonstration zones, for which a pre-feasibility study was prepared in Constantsa, Romania; (e) a project on the interconnection of natural gas networks, diversification of gas supply and improvement of supply security in south-east Europe, which completed the first phase in May 1998 and resulted in a report focusing on the gas market in Bosnia and Herzegovina; and (f) a project on financial policies to strengthen small and medium-sized enterprises through microcredit and credit guarantee schemes. In addition, ECE provides direct assistance in response to individual requests of countries in the region.

38. In *Economic Survey of Europe, 1999, No. 2*,[4] ECE presented a detailed analysis of the economic problems facing the countries of south-east Europe in the wake of the Kosovo conflict. Apart from emphasizing the direct impact of the military operations on the Federal Republic of Yugoslavia and the considerable burden of caring for the refugees in Albania and the former Yugoslav Republic of Macedonia, the *Survey* stressed that the economic consequences have been severe also for Bulgaria, Bosnia and Herzegovina, Croatia and Romania. Broad regional impacts include disruptions in trade and transport, tourism, lost export earnings and environmental damage. Taking into account a range of internal and external difficulties of the transition process in south-east Europe, including the adverse effects of economic sanctions against the Federal Republic of Yugoslavia, ECE prepared proposals for long-term action on behalf of the affected countries of the region, which were debated at the Commission's fifty-fourth session in May 1999. It was recognized that ECE has expertise in a number of areas of relevance to the post-conflict reconstruction and development of south-east Europe and that such expertise should be drawn upon wherever possible to assist in the coordinated economic revitalization of the region. As a consequence, a series of specific project proposals have been elaborated and coordinated with both the recipient countries and many development actors in the region.

C. Regional initiatives and assistance arrangements

39. Since 1994, a series of special regional initiatives and assistance arrangements have been launched to address specific concerns of the affected countries in the areas of transport and infrastructure development as well as trade and investment promotion. Following the lifting of the sanctions, the focus has shifted towards integrating the emergency assistance projects into a longer-term regional perspective of economic reconstruction and recovery. Most recently, the process initiated by EU to ensure a comprehensive and coherent approach to subregional cooperation and development was reflected in the Stability Pact for South-Eastern Europe, adopted on 10 June 1999 at Cologne, Germany. Updated information on regional activities in the areas of particular concern to the neighbouring and other affected countries is provided below.

40. **EU** has continued to support, mainly through the Poland and Hungary Action for Restructuring of the Economy (PHARE) and OBNOVA[5] budgets, the activities related to border-crossing infrastructure and customs facilitation in the Balkans. Budget allocation for border-crossing infrastructure projects in the region, which was initially 94.8 million European currency units (ECUs) in 1994, knew a slight decline thereafter, but has been expanded in 1999. The previous infrastructure investments have had positive results, particularly in terms of reduced waiting time at the most important border crossings. In 1996, EU adopted a regional approach in order to facilitate the development of good-neighbourly relations between the countries of the region. Infrastructure projects financed since that time were, to a large extent, a continuation of projects initiated in previous years for road rehabilitation and upgrading, border crossing modernization and supply of border customs control and communication equipment in the Balkans. In 1995-1997, the PHARE Transit Facilitation and Customs Modernization Programme totalled ECU 66.5 million, of which ECU 19.5 million was used for border crossing infrastructure modernization in Albania, Bosnia and Herzegovina, Bulgaria, Hungary, Romania and the former Yugoslav Republic of Macedonia. In addition, customs equipment worth ECU 2 million was delivered to several countries involved in support of the two Balkan customs corridors. That equipment has been fully operational following a supplementary PHARE-financed Eurocustoms' training project on "Measures to Improve Efficiency at Border Posts". In cooperation with the United Nations International Drug Control Programme (UNDCP), EU launched in 1998 a joint PHARE/UNDCP project to combat

the illicit drug trafficking on the so-called Balkan route. The project has a total value of about Euro 7 million[6] and covers currently Bulgaria, Romania and the former Yugoslav Republic of Macedonia, with the intention of its being extended to Albania, Bosnia and Herzegovina, and Hungary. Since 1996, the Technical Assistance for the Commonwealth of Independent States (TACIS) programme has also been in a position to finance border crossing development, for which ECU 30 million was available in 1996, 1997 and 1998 and Euro 20 million was allocated in 1999.

41. During 1996-1999, substantial levels of EU assistance under the PHARE and OBNOVA programmes have been provided to Bosnia and Herzegovina. Totalling more than Euro 623 million, assistance to date has focused on refugee return, rehabilitation of infrastructure, and support to the agriculture, health, education and environment sectors, as well as institution-building, rule of law and democratization. Additional funds were made available via the European Community's Humanitarian Office (ECHO), totalling Euro 1.6 billion for the period 1994-1998. Within evolving priorities in 1997-1998, the focus of EU assistance moved from addressing emergency needs towards a more systematic approach to rebuilding key sectors essential to the overall revival of the economy. During that period of reconstruction, EU support to major projects in transport, water, waste management, housing, energy and agriculture was accompanied by significant funding of institutions in support of peace implementation. Activities concentrated on the return and reintegration of refugees and displaced persons as well as sustainable reconstruction through targeted projects supporting economic development and institution-building. For 1999, EU earmarked Euro 146 million from the PHARE and OBNOVA budgets in order to continue to focus on refugee return (Euro 69 million) together with activities that will foster economic development (Euro 37 million) and democratic institutions (Euro 17 million). The programme orientations for 1999 reflect a further shift from reconstruction to sustainable economic recovery, assistance in the transition to a functioning market economy and development of a viable social environment within the country.

42. Following the cessation of hostilities in Kosovo, EU's immediate response was to provide a total of Euro 392 million in humanitarian assistance to the province of Kosovo and the affected neighbouring countries. In addition, a Kosovo reconstruction programme of Euro 45 million was committed under the OBNOVA budget to finance such actions as physical damage assessment, rehabilitation of housing and public buildings, support to public utilities, demining, support to customs and a village employment and rehabilitation scheme. A second tranche of funding will follow by the end of 1999, amounting to Euro 92 million. Moreover, macro-financial assistance totalling Euro 100 million has been provided to the crisis-affected countries and territories neighbouring Kosovo, namely, Albania (Euro 62 million), the former Yugoslav Republic of Macedonia (Euro 25 million) and Montenegro (Euro 13 million). In addition, Montenegro has benefited from EU assistance valued at Euro 18 million, including $3 million in social welfare support plus Euro 5 million for agriculture, transport, education and public administration, and Euro 10 million in 1999 for damage reconstruction and food supplies.

III. Participation by the affected States in the process of post-conflict reconstruction and rehabilitation of the former Yugoslavia

43. The General Assembly, in its resolution 52/169 H, urged the relevant international organizations to take appropriate steps in order to broaden access for suppliers from the affected countries and to ensure their active participation in the process of post-conflict reconstruction and rehabilitation of the former Yugoslavia. Updated information received from the relevant components of the United Nations system, as well as from the Department of Peacekeeping Operations and the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat, is outlined below.

A. Involvement in rendering humanitarian assistance

44. The 1999 United Nations Consolidated Inter-Agency Appeal for Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, the former Yugoslav Republic of Macedonia and Albania was launched in December 1998 and provided a humanitarian assistance programme valued at $359.4 million. Following the resumption of conflict in the Balkans in March 1999, a revision of agency programme requirements for the humanitarian operation in the region became necessary to meet urgent humanitarian needs related to the Kosovo crisis, as well as a review of post-Dayton programme implementation. The Revised Appeal for the Southeastern Europe Humanitarian Operation, which was released in July 1999, sought a total of $939 million for the entire year, of which $434 million was the total unfunded resource requirements at the time, including $290 million

for the Kosovo-related programmes not only in the province of Kosovo and the Federal Republic of Yugoslavia as a whole, but also in neighbouring countries that hosted refugees and otherwise felt the impact of the crisis. As at 30 September 1999, 76.6 per cent of the funding requirements had been met, leaving a shortfall of approximately $217 million. It remains critical that strong donor support be maintained to enable the humanitarian agencies involved to ensure the delivery of the humanitarian operation, including, as appropriate, through broadening access for local suppliers, particularly from the neighbouring and other affected countries of the region.

45. The **Office of the United Nations High Commissioner for Refugees (UNHCR)** continued to promote both local and regional procurement of supplies and services for its programmes in the former Yugoslavia. All potential and qualified suppliers in the countries of the region were invited to submit quotations, in compliance with competitive bidding procedures, for the procurement of supplies and relief items necessary for UNHCR operations in the region. In 1998, contracts were awarded to suppliers from the following countries: Austria ($80,959), Bosnia and Herzegovina ($1,894,580), Croatia ($1,766,251), Hungary ($74,822), Slovakia ($391,875), Slovenia ($181,130), the former Yugoslav Republic of Macedonia ($422,986) and the Federal Republic of Yugoslavia ($2,188,910). Under those contracts, the main items purchased by UNHCR were stoves, blankets, beds, heating and diesel fuel, coal, hygiene supplies, office furniture and equipment, printing services, rental of warehouses and transport services.

46. The **United Nations Children's Fund (UNICEF)** continued its extensive supply procurement activities in the neighbouring and other affected countries. Such activities included both procurement of supplies for use in the Fund's emergency and regular programmes in the successor countries of the former Yugoslavia and in the Balkan region as a whole, and procurement for other global operations of UNICEF on behalf of children. The amounts procured during the period from July 1997 to September 1999 from the following affected countries were: Albania ($438,977), Austria ($3,828,143), Bulgaria ($427,743), the Czech Republic ($653,876), Germany ($45,261,787), Hungary ($125,050), the Republic of Moldova ($94,388), Romania ($72,750), Slovakia ($68,055), the former Yugoslav Republic of Macedonia ($272,611), Turkey ($12,347,474), Uganda ($1,191,619) and the Federal Republic of Yugoslavia ($189,003). Apart from its procurement activities, UNICEF programme assistance to the countries of the former Yugoslavia and in the entire Balkan region has been intended to support and strengthen their social sector, in order to mitigate the impact of economic transition, as well as of external shocks such as the war and sanctions related to the former Yugoslavia, on children and women.

47. The **World Food Programme (WFP)** provided, in 1997-1998, food assistance to Albania (7,000 tons worth $3.53 million), the constituents of the former Yugoslavia (219,000 tons for $82.58 million) and Uganda (142,000 tons for $61.71 million). Such assistance was targeted to the most vulnerable members of society, including refugees and internally displaced persons. Several affected countries also benefited from WFP's procurement activities in 1998, including purchases of some 170,000 tons of food commodities in Bulgaria and 50,000 tons in Uganda, as well as non-food item purchases at $1.6 million in Germany and $300,000 in Austria. In response to the Kosovo crisis, WFP launched in early 1999 a major relief operation in Albania and the former Yugoslav Republic of Macedonia. During the first half of 1999, WFP extended support to 950,000 refugees from Kosovo at a cost of over $100 million, while continuing to provide for the residual caseload of refugees as a result of the earlier conflict in Bosnia and Herzegovina. For the second half of 1999, WFP operations in the Balkans will cost $105 million to provide food aid to more than 1.7 million refugees and returnees. In this context, the Balkan economies may also benefit from regional purchases, award of service contracts and employment of local staff. In July 1999, WFP procured 6,300 tons of wheat flour from Romania. Overland transport has been contracted, *inter alia*, from Albania, Bulgaria, Greece, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia. By the end of 1999, WFP plans to spend $30 million more for transport and warehousing of commodities and 1.7 million for national staff in the Balkan region.

B. Supply for the United Nations peacekeeping missions

48. Over the reporting period, United Nations peacekeeping missions in the former Yugoslavia continued to play a crucial role in the international community's efforts to foster peace in the region. The United Nations Mission in Bosnia and Herzegovina (UNMIBH) carried out civilian functions mandated by the Security Council, in particular the monitoring and restructuring of the local police forces. The United Nations Mission of Observers in Prevlaka (UNMOP) continued to monitor the demilitarization of the peninsula. The United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) successfully completed its mandate in January 1998 and was

succeeded by the United Nations Civilian Police Support Group (UNPSG) which ended its work in October 1998. The United Nations Preventive Deployment Force (UNPREDEP) in the former Yugoslav Republic of Macedonia implemented all its functions in a cost-effective and coordinated manner until the end of its mandate in February 1999. Starting June 1999, the United Nations Interim Administration Mission in Kosovo (UNMIK) has taken on a wide range of civilian tasks in the province in accordance with the mandate adopted by the Council.

49. In the context described above, the United Nations peacekeeping missions in the former Yugoslavia have continued to issue tenders for their requirements to prospective vendors in all European countries, including those affected by the sanctions. During the period from January 1997 to December 1998, such local procurement was made, *inter alia*, from Austria ($828,112), Bosnia and Herzegovina ($8,124,616), Croatia ($2,303,563), the Czech Republic ($12,000), Germany ($1,883,353), Greece ($201,061), Hungary ($34,000), Italy ($15,576,565), Slovakia ($135,000), Slovenia ($592,688), the former Yugoslav Republic of Macedonia ($7,932,800) and Turkey ($410,638). Apart from benefits for the local economies, procurements in the mission areas, wherever possible, may offer potentially shorter delivery times and reduced freight costs, provided the required goods and services are available locally and their costs are competitive.

50. Two other sources of access for suppliers from the affected countries to the United Nations peacekeeping operations in the former Yugoslavia are commercial procurement at United Nations Headquarters and government procurement through letters of assist. From January 1997 to December 1998, commercial Headquarters procurement was made, *inter alia*, from Bulgaria ($480,400), Germany ($2,365,235), Italy ($1,098,038), Romania ($3,686,100) and Ukraine ($6,909,043). Under letters of assist issued to Governments during the same period, requisitions were distributed, *inter alia*, to Germany ($150,430), Italy ($2,363,760), Romania ($1,140,614), Slovakia ($211,160), Turkey ($15,468) and Ukraine ($326,800). Further possible supplies from the affected countries to the United Nations peacekeeping missions in the region can be foreseen.

C. Contribution to reconstruction and development efforts

51. Following the signing of the Dayton/Paris Peace Agreement in November/December 1995,[7] the international community endorsed a $5.1 billion Priority Reconstruction and Recovery Programme for Bosnia and Herzegovina (1996-1999). During 1996-1998, donor countries and organizations firmly committed $4.2 billion in concessional assistance to support the country's reconstruction and recovery, of which about $2.8 billion has been disbursed in the past three years. The European Commission and the World Bank co-hosted a fifth donor conference for Bosnia and Herzegovina which took place in Brussels on 20 and 21 May 1999. Donors pledged a total of $1.05 billion/Euro 992 million in support of the country's 1999 programme of economic reform and reconstruction ($917 million), and for peace implementation activities ($135 million). Intentions were also announced regarding fiscal support towards the 1999 budget gap ($90 million) as a result of financial, social and trade-related impacts of the Kosovo crisis. With the commitment of these pledges, the external financing needs of the medium-term programme would have been met.

52. All countries of the region, including the successor republics of the former Yugoslavia and other affected countries, participated in the five donor conferences and pledged to mobilize funds or in-kind assistance for the reconstruction and recovery efforts. Most of such pledges were fully committed and implemented, while in several cases the commitments exceeded the originally pledged amounts. For instance, at the fifth donor conference for Bosnia and Herzegovina, new assistance funds were pledged, *inter alia*, by Austria ($7.7 million), Croatia ($7.4 million), Germany ($25.3 million), Italy ($14.8 million) and Slovenia ($7.8 million). The nature of the contributions has been broadly consistent with the requirements of the programme. On the ground, international agencies have been instrumental in helping establish regional and local capacity to participate in the reconstruction effort (for example, in funding recurrent and local costs by employing local companies and staff to the extent possible). However, consolidated data on procurement of products and services from neighbouring and other affected countries are not available. Nevertheless, it is noteworthy that UNDP, in cooperation with the International Trade Centre, organized last summer in Bucharest, Romania, a training workshop for entrepreneurs from countries of South-East Europe (Albania, Bosnia and Herzegovina, Bulgaria, Slovakia, Romania and the former Yugoslav Republic of Macedonia) on principles and practices of international competitive bidding, with a view to enhancing local business participation in the reconstruction process in the region.

53. In the aftermath of the Kosovo crisis, the European Commission and the World Bank assumed the lead role in coordinating donor support, and organized a first donor

conference in Brussels on 28 July 1999 for the mobilization of funds for the reconstruction and development of Kosovo. Urgent financial requirements were estimated at: (a) $45 million to cover the budgetary deficit of Kosovo presented by UNMIK; (b) $200 million to cover immediate basic needs identified by agencies of the United Nations system; and (c) Euro 300 million for immediate needs in reconstruction, based on the first damage assessment carried out by the European Commission. Pledges made at the conference added up to a total of $2.082 billion, including funding already disbursed during 1999. A second pledging conference for Kosovo will be held in November 1999, and will have before it a more comprehensive and longer-term programme for reconstruction and recovery of the province to be supported by donors.

IV. Conclusions

54. Following the termination of economic sanctions imposed by the Security Council on the Federal Republic of Yugoslavia, the way was clear for the gradual resumption of traditional economic relations and especially of transport links in the Balkan region; thus, the burden was considerably eased on the neighbouring and other States affected by the side effects of the sanctions regime. With the support of the international community, the affected countries of the region have embarked on a difficult transition to economic and social recovery and development, including special efforts to fully overcome the consequences of the sanctions. However, apart from ensuing problems of the transition period, the Kosovo crisis produced an overwhelming impact on the fragile economies of neighbouring countries in south-east Europe and beyond. As a result, several most seriously affected countries of the region and the international donor community have been confronted with new and greater challenges of coping with the humanitarian emergency and the post-conflict reconstruction, rehabilitation and stabilization in the Balkans.

55. Because of the limited number of replies received by the Secretary-General from both the affected States and the donor countries, it is not possible to assess, in any conclusive fashion, either the scope of special economic problems that may still confront neighbouring and other States affected by the consequences of the severance of their economic relations with the Federal Republic of Yugoslavia during the period when the sanctions were in force or the level of bilateral economic assistance provided to the affected countries during the period following the lifting of the sanctions. However, recent assessments by international bodies active in the region indicate that the affected countries of south-eastern Europe continue to face multifaceted adjustment problems stemming from a decade-long string of external economic shocks including, *inter alia*, the consequences of the terminated sanctions regime. It is essential that all these problems be effectively addressed in the context of the ongoing reconstruction and rehabilitation effort, as well as through enhancing regional cooperation for economic recovery and development in the Balkans. The continued donor support for the reconstruction process in the former Yugoslavia as well as other regional cooperation programmes has already yielded positive impact on the most seriously affected countries and should ultimately benefit all the countries of the region.

56. The relevant components of the United Nations system, including the international financial institutions, continue to implement, within their respective mandates, existing facilities and available resources, substantial programmes of financial and technical assistance in the affected countries. In response to the renewed appeals for special economic assistance, these programmes have been reviewed, as appropriate, in order to take into account, to the extent possible, the special needs of the affected States during the transition period following the lifting of the sanctions. Although the bulk of such activities were not specifically and directly related to the consequences of the sanctions, they have contributed to the economic and social recovery in the affected countries, thus indirectly offsetting many of their special economic problems resulting from the sanctions. In the aftermath of the Kosovo crisis, new and additional financial resources from all potential sources are urgently needed to address a variety of persisting economic and social problems of the neighbouring and other affected States, both in support of the reconstruction and recovery efforts and on account of structural adjustment and economic transition.

57. Specific concerns of the affected countries in the areas of transport and infrastructure development as well as trade and investment promotion have been pursued through special regional initiatives and assistance arrangements under the auspices of EU and in cooperation with other regional organizations. The European Union's PHARE, OBNOVA and TACIS programmes have been crucial in financing a series of border crossing infrastructure and customs facilitation projects in the affected countries, as well as integrating them into a longer-term regional perspective of transport and infrastructure development, particularly for the functioning of the priority transport and customs corridors in the region. However, substantial additional resources are needed to carry out the transition from the stage of

responding to the emergency needs and short-term funding requirements for the reconstruction of the crisis-affected countries to a new stage of supporting a comprehensive and long-term approach to the stabilization and consolidation of south-eastern Europe. Within the evolving regional priorities, continued donor support, participation of regional development and investment banks and private sector involvement would be essential for developing cross-border cooperation, upgrading infrastructure and promoting trade and investment in the Balkans.

58. The neighbouring and other affected countries should be encouraged to participate more actively in the international support for the rehabilitation, reconstruction and development efforts in the former Yugoslavia. The local and regional procurement policies pursued by many United Nations organizations, programmes and agencies that have recently increased their presence and enhanced their activities in the region open new possibilities for the suppliers from the neighbouring and other affected countries. In addition, effective mobilization and coordination of assistance and co-financing of projects under the auspices of multilateral agencies both inside and outside the United Nations system should facilitate appropriate regional allocation of resources and increase transparency in procurement of products and services, including procurement from neighbouring countries. Moreover, in follow-up to the Stability Pact for South-Eastern Europe, activities of its Economic Table aimed at reconstruction assistance, sustainable investment and structural reforms in the subregion would help restore and promote further intraregional economic cooperation and integration of south-east Europe into the European mainstream as an important contribution to stability and prosperity in the Balkan region and beyond.

Notes

[1] It should be recalled that, following the adoption by the Security Council of economic and other sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro), eight States — Albania, Bulgaria, Hungary, Romania, Slovakia, the former Yugoslav Republic of Macedonia, Uganda and Ukraine — invoked, in 1992-1993, the provisions of Article 50 of the Charter of the United Nations, with a view to seeking international assistance in coping with their special economic problems arising from the application of the sanctions. Several other countries, including Austria, Croatia, the Czech Republic, Germany, Greece, the Republic of Moldova, the Russian Federation and Turkey, also reported, on various occasions, their economic difficulties as a result of the sanctions regime.

[2] The response of the international community to the special economic concerns of the neighbouring and other affected countries, both during the period when the sanctions were in force and during the period immediately following the lifting of the sanctions pursuant to Security Council resolution 1074 (1996) of 1 October 1996, was covered in a series of four annual reports of the Secretary-General submitted to the General Assembly in 1994-1997 (see A/49/356, A/50/423, A/51/356 and A/52/535).

[3] New York, Regional Bureau for Europe and the Commonwealth of Independent States, UNDP, 1999.

[4] United Nations publication, Sales No. E.99.II.E.3.

[5] European Community initiative for the rehabilitation and reconstruction of Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, and the former Yugoslav Republic of Macedonia.

[6] Since 1 January 1999, the start of the European Monetary Union, figures have been expressed in euros which replaced European currency units (ECUs) at a changeover rate of 1:1.

[7] See *Official Records of the Security Council, Fiftieth Year, Supplement for October, November and December 1995*, document S/1995/999.

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Support by the United Nations system of the efforts of Governments to promote and consolidate new or restored democracies

Sectoral policy questions

Environment and sustainable development

Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Review of the Statute of the United Nations Administrative Tribunal

Letter dated 4 November 1999 from the representatives of Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan to the United Nations addressed to the Secretary-General

We hereby have the honour to enclose the text of the Moscow Declaration of heads of States Parties to the Treaty on the Customs Union and Unified Economic Space, signed by the Presidents of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan in Moscow on 26 October 1999 (see annex).

We should be grateful if this letter and its annex could be circulated as a document of the General Assembly under agenda items 39, 98, 100, 105 and 161.

(*Signed*) A. **Sychov**
Ambassador
Permanent Representative of Belarus to the United Nations

(*Signed*) E. **Kazykhanov**
Acting Chargé d'affaires of Kazakhstan to the United Nations

(*Signed*) E. **Ibraimova**
Ambassador
Permanent Representative of Kyrgyzstan to the United Nations

(*Signed*) V. **Lavrov**
Ambassador
Permanent Representative of the Russian Federation to the United Nations

(*Signed*) R. **Alimov**
Ambassador
Permanent Representative of Tajikistan to the United Nations

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Annex

Moscow Declaration of the heads of the States Parties to the Treaty on the Customs Union and Unified Economic Space, signed in Moscow on 26 October 1999

We, the heads of the States Parties to the Treaty on the Customs Union and Unified Economic Space of 26 February 1999,

Motivated by the common desire to broaden and deepen multilateral cooperation on the basis of the provisions laid out in the Treaty,

Seeking, on the threshold of the twenty-first century, to provide a new impetus to mutually advantageous cooperation based on equal rights,

Declare as follows:

The basic aim of integration of our countries at the present stage is to complete the creation of a Customs Union as a prerequisite for boosting our national economies, raising the standard of living of our peoples and achieving sustainable democratic development.

It is our common belief that despite the objective difficulties of the processes of integration and the negative impact of the global financial crisis, positive economic results have been achieved in the framework of the Customs Union. Joint actions by the States Parties to promote trade and economic cooperation and overcome the consequences of the financial and economic crisis have been agreed, the foundations for joint customs tariffs have been laid, and measures to strengthen cooperation between national monetary and financial systems have been defined. The creation of a unified legal space has begun, and directions for the convergence and harmonization of legislation have been determined. Numerous social and humanitarian issues are being resolved in the context of realizing the "ten simple steps for ordinary people" programme.

We are determined to carry out the priority tasks for the advancement of integration processes in the short term, with a view to achieving:

- The effective functioning of a common market for goods, services, capital and labour;
- The creation of conditions for steady progress in restructuring the economies of our States;
- The application of an agreed tax, monetary and credit, currency and financial, trade, customs and tariff policy;
- The development of unified transport, energy, information and legal systems;
- The elaboration of a range of agreed measures of State support for the development of priority economic sectors, and of cooperation in industry, science and technology.

The activities of the Customs Union to resolve key economic problems confirm the effectiveness of integration, at different rates, in the framework of regional associations and the Commonwealth of Independent States (CIS) as a whole.

We are in agreement that further development of the processes of integration in the framework of the Customs Union depends on political and economic stability in the States Parties. Accordingly, we oppose all forms and manifestations of international terrorism and

political and religious extremism which threaten the security of our societies and of the citizens of our countries.

We are convinced that efforts to create a unified economic space in the Customs Union will continue to receive the full support of the peoples of our States Parties and will accelerate economic stabilization and the improvement in the standard of living of our citizens.

Membership of the Union is open to any State of the CIS which acknowledges the principles of the Union and is prepared to fully assume the obligations emanating from the agreed instruments.

(*Signed*) A. **Lukashenka**
President of the Republic of Belarus

(*Signed*) N. **Nazarbaev**
President of the Republic of Kazakhstan

(*Signed*) A. **Akayev**
President of the Republic of Kyrgyzstan

(*Signed*) B. **Yeltsin**
President of the Russian Federation

(*Signed*) E. **Rakhmonov**
President of the Republic of Tajikistan